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# U.S. GINSENG in THE FAR EAST MARKET

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# Foreword

The purpose of this study is to provide information on the exporting of a little-known U.S. product, ginseng, with the hope that the overseas market can be further expanded.

Use of the herb decreased in this country after the freewheeling patent medicine days, but it currently is making a resurgence, particularly in health food stores.

Almost all of the U.S. crop is presently exported, and the Far East—especially Hong Kong—is the major overseas destination. There it is processed into various tonics, essences, etc. Some is sold in dried root form in retail outlets. A small proportion is re-exported from Hong Kong in the dried root form. An unknown quantity of the processed product is exported from Hong Kong to other Far Eastern countries.

U.S. ginseng has two major competitors in the Far East—South Korea and Japan. South Korea is a major grower and the world's largest volume exporter, while Japan is a large foreign trader but—reportedly—now a minor producer of ginseng. Price and supply are the important competitive factors. The U.S. exportable supply in the future may also be affected by internal demand.

The foreign market for the product should remain strong for some time. Ginseng is not a major U.S. agricultural export, but U.S. exports of this product have increased from an average of \$2.7 million annually in 1960-62 to \$8.9 million in 1972-73.

In collecting data for this study, it was necessary to use many different sources. In the case of foreign trade statistics, different means were used to collect data by the various countries involved. Conflicting data were often the result. Of course, shipping lags also account for other discrepancies. Production data were lacking in most countries.

Thanks are given to U.S. traders who completed and returned mailed questionnaires, and to others who participated in personal interviews. Travelers from the Far East also were interviewed whenever possible.

*William N. Starkey, Director  
Sugar and Tropical Products Division*

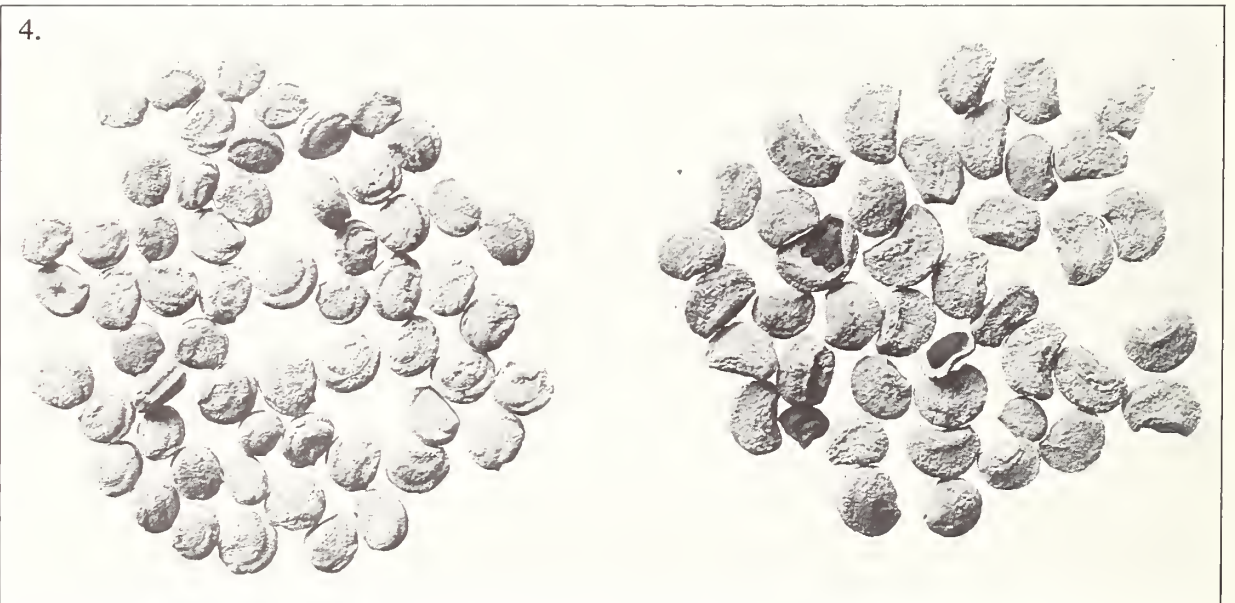


# CONTENTS

	Page
Introduction . . . . .	1
History of the Industry . . . . .	1
Domestic Situation . . . . .	2
U.S. Exports . . . . .	4
Competing Exporters . . . . .	5
The Far East Market . . . . .	5
U.S. Export Potential . . . . .	7
Conclusions . . . . .	7
Appendix I. Exporter-Dealers; Importers of U.S. Ginseng.	9
Appendix II. List of References . . . . .	11



1. A ginseng plant growing wild in a U. S. forest.
2. Typical U. S. ginseng seeds, leaves, and root.
3. Typical roots of U. S. ginseng plants.
4. Ginseng seeds: Asiatic, left, and American, right.





# U.S. GINSENG IN THE FAR EAST MARKET

By Gordon E. Patty

## Introduction

The United States has exported ginseng root to the Orient since Colonial days. This American herb is highly valued by the people of Asia for its supposed medicinal properties as a stimulant, alterative (health giver), antidiabetic substance, carminative (cleansing) agent, and tonic, among others.

Ginseng is one of the most commonly used drugs in the People's Republic of China (PRC), Hong Kong, Taiwan, North Korea, South Korea, Japan, and Singapore. In the Soviet Union (USSR), ginseng and a related plant, *eleutherococcus senticosus*, are both favorably regarded medically, and considerable research has been done on their uses. The American medical profession recognizes only the demulcent (membrane soothing) properties of ginseng, however.

Prices are paid for wild ginseng according to the region where it is gathered—northern, southern, and (in some cases) central United States. In the Asian markets, emphasis is placed on form (which should be human-like), size, maturity, and color. The optimum maturity is reached when the root breaks with a somewhat soft and waxy fracture. There are no formal U.S. standards for ginseng, since practically the whole crop is exported. U.S. exports were fairly stable on a quantity basis until 1972, but the average price per pound has been rising. It is unclear how the recent relaxation of trade restrictions with the PRC will affect the U.S. export picture for ginseng.

American ginseng (*panax quinquefolius*) is native to woodlands where the soils are well-drained from southern Canada to northern Florida and from the East Coast as far west as the Ozark Mountains. An Asian variety, *panax ginseng*, is native to Manchuria and Korea. In the United States, ginseng traditionally has been found and dug by fur trappers and others who know where the herb grows in the woods. As American ginseng grows naturally in hardwood forests, when cultivated it grows best in semishade, either in

the woods or under lath sheds. Commercial cultivation is found mainly in areas of the eastern part of the United States where the herb grows naturally.

Ginseng takes from 5 to 7 years to mature and therefore its cultivation must be undertaken with a careful eye on the market. The roots should be dried in a well-ventilated, heated room. It then must be stored in a dry, well-ventilated, and rodentproof place until marketed.

## History of the Industry

Ginseng root and leaves have been used as a medicinal drug for centuries in the Orient. It has long been one of the most popular drugs in use by Chinese-speaking people. In fact, the Chinese word for ginseng (*jen-shen*) means "man-essence." Confucius reportedly spoke of its great healing powers some 2,500 years ago. An ancient Chinese medical tradition holds that there is an herb remedy for every illness. Shape is an important aspect of Oriental thinking, and the human-like form of the ginseng root makes it revered as a cure-all and the giver of a long, happy life.

Ginseng was discovered growing in North America in the early part of the eighteenth century. Soon afterward, export of American ginseng to the Far East began. It was first gathered by French trappers and Indians and shipped from Canada via Europe and also from New England. The ultimate destination was China. Beginning mainly after the Revolutionary War, U.S. pioneers and their descendents looked for ginseng all through the hilly, wooded sections of eastern States. It was considered a good source of cash when other crops failed, or for the off-season.

The growing scarcity of American ginseng as the great virgin forests were cut, accompanied by higher prices, led to commercial cultivation of the plant, beginning in the late nineteenth century. Toward the

end of the century, ginseng cultivation was a boom industry. But overexpansion resulted in overproduction, and by 1904 disease became severe and much of the seed crop was destroyed.

Ginseng is not an easy crop to grow in any case, and cultivated conditions must be very similar to those found where it grows in the wild. Ginseng takes an average 5-7 years to reach marketable size, and commercial fertilizer cannot be used to any great extent. Therefore, the turn-of-the-century boom was short-lived. According to the 1909 Census of Agriculture, only 23 acres of ginseng were under cultivation in the United States. By 1929 this had increased to 434 acres. But within a few years, ginseng growing again receded on a total acreage basis. Yields, however, increased, according to the 1949 Census of Agriculture. Acreage, yields, and production were all up by 1954, the last year ginseng appeared in a Census of Agriculture. After 1954, ginseng was no longer shown as a separate item in Census questionnaires.

It should be noted that sampling techniques were used in the taking of each census, and reliability cannot be guaranteed in cases where few farms are involved. It is also uncertain whether total acreage under cultivation is shown or only that portion ready to be dug. Furthermore, production could be undried roots, which would inflate the total quantity produced. In view of these factors, however, it appears that the overall trend has been toward fewer farms since 1929, higher yields, and increasing production—particularly if the World War II and immediate postwar periods (exemplified by the 1949 Census) are ruled out.

**TABLE 1.—UNITED STATES: GINSENG CULTIVATION<sup>1</sup>**

Year	Farms Reporting	Area	Yield	Production
	<i>Farms</i>	<i>Acres</i>	<i>Pounds per acre</i>	<i>1,000 pounds</i>
1909...	(2)	23	(2)	(2)
1919...	(2)	54	344	18.6
1929...	303	434	137	59.3
1949...	19	12	833	10.6
1954...	5	21	4,219	88.6

<sup>1</sup> Data from U.S. Census of Agriculture, U.S. Bureau of the Census. <sup>2</sup> Not available.

## Domestic Situation

No official statistics are kept on ginseng production in the United States. However, the USDA's Agricultural Research Service estimates roughly 95 percent of U.S. production is exported. On this basis, U.S. production of dried ginseng root has increased from an average of about 160,000 pounds during 1960-62 to around 200,000 during 1971-73. Yields should average at least 1 short ton per acre in the United States for well-managed, cultivated plantings. No official data are available on the proportion of the crop that is gathered from the wild, although the trade estimates that less than one-half of U.S. ginseng now comes from this source.

Some ginseng is imported into the United States. Both the dried root (crude) and processed ginseng (advanced) are carried in a basket category in official U.S. import statistics, which makes data on ginseng difficult to identify. Crude ginseng enters the United States duty-free, while advanced ginseng has an ad valorem tariff of 1.5 percent. Some crude ginseng is reported to be imported from Canada. This quantity then probably enters the overseas market. The value of advanced ginseng imports increased from \$36,000 (based on a 33.3 percent sample of custom declarations) in 1972 to more than \$100,000 (16.6 percent sample) in 1973.

A large variety of imported processed ginseng products are sold in some specialty stores in the United States. Most of this processed ginseng appears to be from South Korea, but other countries are represented, including the PRC and the USSR. The dried roots are likely to be from the United States. This would indicate that apparently little processing of the dried ginseng root is done within the United States. The main retail outlets appear to be health food stores—where an increasing quantity probably is being sold—and stores that specialize in Chinese or other Oriental goods.

Retail prices vary considerably according to the product and to the other ingredients present. The dosage or manner of use also is an important factor to consider when comparing product prices.

Prices at different market levels also vary. Dried root pieces (fibers) bring much less than whole roots. Cultivated roots bring only roughly one-half as much as roots dug in the wild. After the root leaves the grower-gatherer level, it moves upward through the

TABLE 2.—UNITED STATES: GINSENG PRICES, JUNE-JULY 1974<sup>1</sup>

Market level; type	Description	Origin	Unit; quantity	Price
			<i>Pounds</i>	<i>Dollars</i>
Gatherer:				
Dried roots . . . . .	Wild ginseng	U.S.	1	60-66.00
Cultivator:				
Dried roots . . . . .	Cultivated ginseng	U.S.	1	25-35.00
Local buyer:				
Dried roots . . . . .	Wild ginseng	Northern U.S.	1	65.00
Dried roots . . . . .	Wild ginseng	Central U.S.	1	64.00
Dried roots . . . . .	Wild ginseng	Southern U.S.	1	63.00
Dried root pieces . . . . .	Coarse &/or fine	U.S.	1	10.00
Dealer/broker:				
Dried roots . . . . .	Wild ginseng	Northern U.S.	1	68.00
Dried roots . . . . .	Wild ginseng	Central U.S.	1	66.00
Dried roots . . . . .	Wild ginseng	Southern U.S.	1	65.00
Dried roots . . . . .	Cultivated ginseng	U.S.	1	33.00
Retailer:			<i>Ounces</i>	
Dried roots . . . . .	Large (1½ oz. av.)	U.S.	1	5.00
Dried root pieces . . . . .	Medium (¼ oz. av.)	U.S.	1	3.95
Dried root pieces . . . . .	Small (under ¼ oz.)	U.S.	1	3.50
Extract . . . . .	Ginseng drink	PRC	17.5	4.95
Extract . . . . .	Ginseng eleutherococcus senticosus) liquid (33 per- cent alcohol)	Siberia, USSR	2	9.98
Extract . . . . .	Ginseng liquid	S. Korea	2.25	8.95
Instant . . . . .	Ginseng extract & dextrose packets	S. Korea	1.4	4.25
Instant . . . . .	Ginseng tea packets	S. Korea	1.47	3.89
Instant . . . . .	Ginseng packets	S. Korea	2.12	2.95-4.50
Paste . . . . .	Ginseng, Chinese herbs, and honey	S. Korea	<i>Grains</i> 200	10.00
Powdered . . . . .	Ginseng root capsules	S. Korea	400	6.50
Powdered . . . . .	Ginseng root capsules	S. Korea	800	12.00
Powdered . . . . .	Ginseng root capsules	S. Korea	1,000	11.95
Instant . . . . .	Powdered ginseng packets	S. Korea	60	5.50
Instant . . . . .	Powdered ginseng packets	S. Korea	100	5.95
Exporter:			<i>Pounds</i>	
Ginseng . . . . .	Dried roots, root fibers, & processed	U.S.	1	<sup>2</sup> 51.95

<sup>1</sup> Prices obtained from many different sources, and are not necessarily comparable.

<sup>2</sup> Unit value of all ginseng exports, June-July 1974.

market channel to the local buyers, dealers, and exporters. Some dealers and/or exporters buy ginseng direct from gatherers or cultivators. A few large cultivators export directly to the foreign market without going through dealers.

In interviewing representatives of the U.S. trade, it appears that there is a scarcity of U.S. supply of ginseng from the wild. The major reason is that gatherers tend to dig roots too early in the season—before seeds have been produced or when the roots

are too young. There are also too few plants left for reproduction purposes. The high prices prevailing probably encourage this overgathering.

Production cost studies on cultivated ginseng are unavailable. However, it is known that initial planting stock costs of this labor-intensive crop are high. Ginseng is also susceptible to several diseases, and must be handled with care when harvested and stored. Labor and other costs of growing ginseng are undoubtedly rising in the United States. The long period necessary before the crop reaches maturity adds to costs and makes for market uncertainty.

## U.S. Exports

U.S. exports of ginseng have increased moderately on a quantity basis since 1960. Ginseng exports rose from an average of 151,000 pounds in 1960-62 to an average of 193,000 in 1971-73, an increase of 28 percent. However, the average price per pound has

been rising even more rapidly during this period, resulting in a considerably larger value of U.S. ginseng exports. Re-exports have fluctuated greatly, but are minor relative to exports.

The major destination of U.S. ginseng is Hong Kong. In 1973 Hong Kong took 94 percent of the total, with 4 percent to Singapore, 1 percent to Taiwan, and 1 percent to other countries. Although U.S. export data indicate less than 1,000 pounds were exported to Taiwan in 1972, Taiwan's data shows imports from the U.S. of 34,000 pounds in the same year. This may mean that the final destination of some of the exports to Hong Kong is in Taiwan and other countries.

It is known that the United States exported ginseng to China before the Communists gained control of the mainland in 1948. However, until recently exports to the People's Republic of China were prohibited. Shipments of nonstrategic goods, including ginseng, are now permitted to the PRC.

TABLE 3.—UNITED STATES: EXPORTS AND RE-EXPORTS OF GINSENG

Year	Exports			Re-exports		
	Quantity	Value	Unit Value	Quantity	Value	Unit Value
	<i>Pounds</i>	<i>Dollars</i>	<i>Dollars per lb.</i>	<i>Pounds</i>	<i>Dollars</i>	<i>Dollars per lb.</i>
1960 .....	179,523	3,281,969	18.28	50	700	14.00
1961 .....	131,215	2,322,157	17.70	436	12,045	27.63
1962 .....	141,314	2,480,573	17.55	915	9,713	10.62
1963 .....	136,392	2,844,428	20.85	13,148	325,079	24.72
1964 .....	139,206	2,731,602	19.62	--	--	--
1965 .....	116,791	2,887,310	24.72	327	13,951	42.66
1966 .....	173,405	4,358,542	25.14	--	--	--
1967 .....	146,135	4,507,152	30.84	--	--	--
1968 .....	133,701	4,359,524	32.61	487	12,398	25.46
1969 .....	145,392	5,533,406	38.06	311	11,535	37.09
1970 .....	162,689	5,016,951	30.84	8,316	184,944	22.24
1971 .....	168,835	5,827,289	34.51	746	12,801	17.16
1972 .....	227,549	8,922,426	39.21	173	4,680	27.05
1973 .....	183,136	8,846,112	48.30	2,725	43,729	16.05

TABLE 4.—UNITED STATES: EXPORTS OF GINSENG BY COUNTRY OF DESTINATION

(In thousand of pounds)

Destination	1960-62	1969	1970	1971	1972	1973
Hong Kong .....	134.8	134.8	145.7	153.7	218.4	172.6
Singapore .....	8.7	8.9	12.3	8.5	8.3	7.8
Taiwan .....	.6	--	4.2	5.1	.7	1.4
Other .....	6.6	1.7	.5	1.5	.1	1.3
Total .....	150.7	145.4	162.7	168.8	227.5	183.1

The price of U.S. ginseng is rising. Its unit value has increased from an average of less than \$18.00 per pound in 1960-62 and about \$35.00 dollars in 1967-69 to \$48.30 per pound in 1973. The increase was more than \$9.00 per pound from 1972 to 1973. The quantity exported to Hong Kong fell in 1973 for the first time in several years.

## Competing Exporters

Japan and South Korea are the major competitors of U.S. ginseng in the Hong Kong market. Next in terms of value are the PRC, Canada, and North Korea. The United States ranks first in the Hong Kong market. Japan apparently produces no significant amount of ginseng, and imports about 34 percent more than it exports, suggesting that while it is a prominent trader of ginseng, it is a limited user.

South Korea's production and exports of ginseng have increased rapidly and it has become the world's largest exporter on a quantity basis, although the United States surpassed it on a value basis in 1972. Between 1969 and 1972 the average price of South Korea's ginseng exports did not generally rise.

Ginseng moves in two root forms in world trade—white ginseng (dried, raw) and red ginseng (boiled or steamed and then redried). Japan imports primarily white ginseng and exports mostly red ginseng. Japan, therefore, is primarily a ginseng processor, importing raw ginseng (white) and exporting processed (red) and in so doing is receiving more than double white ginseng's import cost. A small

TABLE 5.—JAPAN: IMPORTS OF GINSENG, 1971-73

Country of Origin	1971	1972	1973		
			Quantity	Value	Unit Value
	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>U.S.</i>	<i>U.S.</i>
	<i>pounds</i>	<i>pounds</i>	<i>pounds</i>	<i>dol.</i>	<i>per lb.</i>
People's Republic of China (PRC) .	1	--	5	25	5.00
Republic of China (Taiwan).	1	0	0	0	0
N. Korea . . . . .	2	8	5	407	81.40
S. Korea . . . . .	256	236	281	3,851	13.70
USSR . . . . .	--	--	1	51	51.00
Total . . . . .	260	244	292	4,334	14.84

TABLE 6.—JAPAN: EXPORTS OF GINSENG, 1971-73

Destination	1971	1972	1973		
			Quantity	Value	Unit Value
	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>U.S.</i>
	<i>pounds</i>	<i>pounds</i>	<i>pounds</i>	<i>U.S.</i>	<i>dol.</i>
Hong Kong . . . . .	257	172	211	5,643	26.74
Singapore . . . . .	3	4	6	93	15.50
Other . . . . .	1	--	1	17	17.00
Total . . . . .	261	176	218	5,753	26.39

quantity of ginseng tea is also imported by Japan, primarily from South Korea.

The two most important destinations for South Korea's ginseng are Hong Kong and Japan. These two markets accounted for four-fifths of South Korea's ginseng exports, by value, in 1971, the latest year available. Hong Kong purchases ginseng from South Korea at a higher price than does Japan.

An average of one-fifth of South Korea's production was exported during 1971 and 1972. Production has risen as follows:

Years	Metric tons
1966	232
1967	650
1971	1,383
1972	1,752

TABLE 7.—SOUTH KOREA: EXPORTS OF GINSENG

Year	Quantity	Value	Unit Value
	<i>Pounds</i>	<i>U.S. dollars</i>	<i>Dollars</i>
			<i>per lb.</i>
1964 . . . . .	206,192	1,154,112	5.60
1965 . . . . .	278,847	1,876,580	6.73
1966 . . . . .	250,337	1,971,403	7.87
1967 . . . . .	418,005	2,922,486	6.99
1968 . . . . .	429,130	4,406,961	10.27
1969 . . . . .	430,329	5,926,722	13.77
1970 . . . . .	583,999	9,222,300	15.79
1971 . . . . .	757,373	10,480,943	13.84
1972 . . . . .	<sup>1</sup> 600,000	8,080,000	<sup>1</sup> 13.47

<sup>1</sup> Estimated

# The Far East Market

Hong Kong has been the major ginseng market in recent years, with Singapore and Taiwan relatively less important. American ginseng was the fourth most important agricultural product exported by the United States to Hong Kong in 1973. The United States was the largest source of Hong Kong's ginseng imports in 1973, followed by Japan, South Korea, the PRC, Canada, and Singapore. Hong Kong was a \$25.6 million market for ginseng during 1973.

Re-exports from Hong Kong amounted to \$4.3 million during 1973. The primary destination was Singapore which, like Hong Kong, is a distribution point for much of the East Asian area. Taiwan also was an important market in 1973. Hong Kong imports more ginseng from the PRC than it re-exports to that country, according to official Hong Kong statistics. However, since China took almost all of the U.S. exports before the PRC was established, some may enter by other means, such as smuggling.

PRC ginseng, which traditionally comes from Manchuria and nearby regions, obtains the highest prices. U.S. ginseng is next in price, followed by ginseng from South Korea, Singapore, Canada, and Japan. Singapore's ginseng shipments to Hong Kong presumably are re-exports.

Both the quantity and value of Hong Kong's imports of ginseng generally have increased. Re-exports remained nearly stationary, on a quantity-basis, until 1972, indicating that Hong Kong is expanding as a market for ginseng. This trend is likely to continue for sometime in the future.

There is some concern that the price of U.S. ginseng appears to be rising rapidly and is well above that of its two main competitors in the Hong Kong market. Prices were as follows in dollars per pound:

Country	1970	1973
United States . . . . .	\$38.98	\$49.96
Japan . . . . .	\$22.14	\$24.74
South Korea . . . . .	\$20.30	\$35.52

TABLE 8.—HONG KONG: IMPORTS OF GINSENG

Country of origin	1970	1971	1972	1973		
				Quantity	Value	Unit Value
	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 U.S. dol.</i>	<i>U.S. dol. per lb.</i>
Canada . . . . .	26	36	38	39	1,104	28.31
People's Republic of China (PRC) . . . . .	--	86	58	32	2,197	68.66
Japan . . . . .	168	263	197	242	5,987	24.74
South Korea . . . . .	62	201	204	157	5,576	35.52
Singapore . . . . .	20	15	12	15	470	31.33
United States . . . . .	140	180	202	204	10,192	49.96
Other . . . . .	25	1	3	--	116	--
Total . . . . .	441	782	714	689	25,642	37.22

TABLE 9.—HONG KONG: RE-EXPORTS OF GINSENG

Destination	1970	1971	1972	1973		
				Quantity	Value	Unit Value
	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 U.S. dol.</i>	<i>U.S. dol. per lb.</i>
People's Republic of China (PRC) . . . . .	1	1	7	5	205	41.00
Republic of China (Taiwan) . . . . .	--	--	24	43	1,408	32.74
Japan . . . . .	18	14	120	13	126	9.69
Malaysia . . . . .	4	6	17	17	528	31.06
Singapore . . . . .	21	32	42	38	1,817	47.82
Other . . . . .	3	7	12	4	197	49.25
Total . . . . .	47	60	222	120	4,281	35.68

TABLE 10.—HONG KONG: IMPORTS OF GINSENG

Year	Quantity	Value
	<i>Pounds</i>	<i>U.S. dollars</i>
1958 . . . . .	155,021	2,393,129
1959 . . . . .	253,620	3,004,383
1960 . . . . .	332,431	5,270,500
1968 . . . . .	540,934	9,632,550
1969 <sup>1</sup> . . . . .	402,521	8,561,637
1970 . . . . .	440,784	12,227,797
1971 . . . . .	781,810	20,462,486
1972 . . . . .	714,112	22,010,155
1973 . . . . .	689,380	25,642,488

<sup>1</sup> January-November only.

TABLE 11.—TAIWAN: IMPORTS OF GINSENG

[In thousand pounds]

Country of origin	1970	1971	1972	1973
Canada . . . . .	--	--	2	1
South Korea . . . . .	74	87	9	52
United States . . . . .	1	7	34	41
Other . . . . .	--	--	7	12
Total . . . . .	75	94	52	106

Taiwan is a fluctuating market. Although South Korea was the predominant source in 1970, 1971, and 1973, the United States was the leading supplier in 1972, according to Taiwanese statistics. This market could become larger in the future as incomes rise.

There are no major trade barriers on ginseng exports to Hong Kong. Imports of ginseng into Hong Kong are duty free. Ginseng imports into the PRC are subject to state trading. Ginseng roots and fibers carry a 52 percent ad valorem duty in Taiwan.

## U.S. Export Potential

The Hong Kong market has grown more rapidly than U.S. exports to that market. The U.S. share of total Hong Kong imports in 1973 was 29.6 percent on a quantity basis and 39.7 percent on a value basis. Japan, South Korea, and other countries have come increasingly into the Hong Kong market. Cost factors no doubt are important in this changing picture. However, since U.S. ginseng commands a different price from Asian ginseng, and may appeal to a

TABLE 12.—U.S. GINSENG EXPORTS: 1960-62 AND 1971-73 AVERAGES AND 1980 POTENTIAL

[In thousand pounds]

Country	Average		Pro- jected
	1960-62	1971-73	1980
Hong Kong . . . . .	134.8	181.5	200.0
People's Republic of China (PRC). . . . .	--	--	10.0
Republic of China (Taiwan) . . . . .	.6	2.4	10.0
Singapore . . . . .	8.7	8.2	10.0
Japan . . . . .	--	--	10.0
Other . . . . .	6.6	1.0	10.0
Total . . . . .	150.7	193.1	250.0

different market level, it would seem that the United States could expand its share of the Hong Kong market in the future, particularly if costs are held down. Possibilities for expanding U.S. ginseng exports to other markets also may exist in the future.

U.S. exports of ginseng have been increasing at a rate of about 2 percent annually. Any projection to 1980 is somewhat dependent on changes in U.S. prices. If inflation is checked and costs are held down to a reasonable level, more can be exported. Of course, it also takes time to bring new plantings to maturity. However, a projection of 3 percent annually to a total export potential in 1980 approximating 250,000 pounds seems possible. This projection takes into account the uncertainty of the possible market in the PRC where no data on production—either past or future—are available. Other uncertainties also exist. Therefore, the above profile should be taken only as a rough guide to the export potential of U.S. ginseng.

## Conclusions

The U.S. ginseng industry has an old and varied history. It has continued to survive over two centuries. During that time, exports to the Far East have played a prominent part.

Looking ahead, the market for U.S. ginseng is expanding, both domestically and overseas. Ginseng increasingly is being sold in health stores in the United States, and ginseng gatherers and cultivators

can benefit from this small but growing domestic market. The demand for ginseng abroad also continues strong as evidenced by the rise of U.S. exports to Hong Kong in recent years. For the United States to meet this demand in the future, more ginseng will have to be cultivated, since the supply of wild ginseng seems fairly stable.

Technological and other advances need to be made to bring greater production efficiencies and to keep

costs down. Little U.S. ginseng is processed. It would seem possible that more could be processed in the United States in order to take advantage of the domestic market for processed ginseng and of the overseas market for both red and processed ginseng. If the two major factors of adequate supply and competitive price are dealt with successfully, the U.S. ginseng industry should be able to take full advantage of its market opportunities in the Far East.



# Appendix I

## EXPORTER-DEALERS AND IMPORTERS OF U.S. GINSENG<sup>1</sup>

### Exporter-dealers<sup>2</sup>

Arm and Krauss, Inc.  
214 West 29th Street  
New York, N.Y. 10001

Coeburn Produce Co.  
P.O. Box 100  
Coeburn, Va. 24230

Fromm Bros. Inc.  
Hamburg, Wis. 54438

Heidner & Co.  
Tacoma, Wash. 99212

J. Q. McGuire & Co.  
P.O. Box 662  
8 Walnut Street  
Asheville, N.C. 28802

Lowe Fur & Herb Co.  
P.O. Box 1332  
108 5th Street  
North Wilkesboro, N.C. 28659

Snowiss Fur Co.  
234 East Third Street  
Williamsport, Pa. 17701

South Pacific Industries, Inc.  
198 Broadway  
New York, N.Y. 10038

United Fur Brokers, Inc.  
258 West 29th Street  
New York, N.Y. 10001

Wm. J. Boehner & Co., Inc.  
259 West 30th Street  
New York, N.Y. 10001

F. G. Hamilton  
West Augusta, Va. 24485

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<sup>1</sup>This is a partial list, and inclusion does not constitute endorsement by the U.S. Government.

<sup>2</sup>Only firms which are exporters and/or dealers of U.S. ginseng are included. Growers, gatherers, seed and plant suppliers, and processors are not included unless they are also exporter-dealers.

## Importers

### HONG KONG

Chiu Kwong Lee Hong  
5 Bonham St., West

Dah Chong Hong Company  
4th Floor, Hang Seng Bank Building  
Des Voex Road, Central  
Mr. M. C. Lee, Managing Director

Hang Cheong Tai  
65 Bonham Strand, West

Chong On Ginseng Firm  
58 Bonham St., West  
Mr. Hong Kim Lick

Golden Bell Industrial  
P.O. Box 4771  
1004 Cosmopolitan Building  
10 Stanley St., C.  
Si Lung Ho, or  
Miss Cheng Lai Ling

Messrs. Wing Shun Chong  
Room 1301 Man Cheong Bldg.  
32-36 Des Voex Rd., West  
Mr. Robert Chan

May Fair Sales Co.  
34 Connaght Rd., West

Mobius, Inc.  
2B Kennedy Terrace G-1  
Mr. J. Mark Mobius, Managing Director

Sun Ming Hong  
175 Wing Lok St.

### JAPAN

Takeda Yakuhin-Kogyo Co. Ltd.  
54 4-chome, Juso-Nishinomachi, Higashi-  
yodogawa-ku  
Osaka City

Yomeishu Seizo Co., Ltd.  
16 Nampeidai, Shibuya-ku  
Tokyo

### PEOPLE'S REPUBLIC OF CHINA

China National Native Produce and Animal By-  
products Import and Export Corporation  
82 Tung An Men St.  
Peking

People's Republic of China  
2300 Connecticut Ave., N.W.  
Wash., D.C. 20036

### SINGAPORE

Embassy of the Republic of Singapore  
1824 R St., N.W.  
Wash., D.C. 20009

Trade Division  
Ministry of Finance  
Fullerton Building

### TAIWAN (Republic of China)

Embassy of the Republic of China  
2311 Massachusetts Ave., N.W.  
Wash., D.C. 20008

## Appendix II

### List of Selected References

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M-261